

**The Advisory Committee on Commercial Operations  
to U.S. Customs and Border Protection (COAC)**

**July 20, 2015**

**Report of the Work of the COAC**

**Subcommittee on Trade Enforcement and Revenue Collection**

**Co-Chairs**

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**Background**

At the March 6, 2013, meeting of the 13<sup>th</sup> Term Commercial Operations Advisory Committee (COAC) in Washington, D.C., the Committee established the Trade Enforcement and Revenue Collection Subcommittee, a blending of the Intellectual Property Rights, Bonds, AD/CVD Subcommittees from the 12<sup>th</sup> Term COAC, and adding Regulatory Audit. The objectives for the Subcommittee are to generate advice and develop recommendations pertaining to improving enforcement of the trade laws of the United States and the collection of duties and fees. Enforcing U.S. trade laws adds not only to the security of the global supply chain and our nation, but expedites products into the marketplace. Identifying and expediting compliant trade by enforcing our trade laws adds to both our national security and facilitation efforts. With compliant trade identified and appropriate fees and duties assessed, CBP can then focus its limited resources on non-compliant and higher risk commerce.

Given the above objectives, COAC's Trade Enforcement and Revenue Collection (TERC) Subcommittee developed a Statement of Work which outlines its focus for this term.

**Outline of Work**

It is expected that, during the lifespan of this Subcommittee, the focus will be on providing advice and recommendations that covers, but will not be limited to, the following areas: Intellectual Property Rights, Anti-Dumping and Countervailing Duties, Bonds and Regulatory Audit.

Each of these issues will be further refined and discussed in its Working Group that in turn will report back to the larger Subcommittee. These Working Groups will be supported by a broad range of stakeholders and the advice provided will incorporate the views and address the concerns of industries impacted by the projects.

**Summary of Work**

Since the initial launch of the TERC Subcommittee, four (4) Working Groups have been opened including a Regulatory Audit Working Group, an Intellectual Property Rights (IPR) Working

Group, a Bond Working Group, and an Anti-Dumping/Countervailing Duty (AD/CVD) Working Group.

The TERC Subcommittee also conducted several conference calls and meetings with CBP to evaluate CBP's requirements under the Trade Facilitation and Trade Enforcement Act of 2015 (HR 644). These ongoing discussions will evaluate how domestic industry will benefit from the trade enforcement focus that is being established within the Centers of Excellence (CEEs). The TERC Subcommittee is in the process of defining the cost/benefit analysis of CBP's trade enforcement efforts on domestic industry with a focus on priority trade issues (PTIs). These PTIs represent high-risk areas that can cause significant revenue loss, harm the U.S. economy, and threaten the health and safety of the American people. Current PTIs include AD/CVD, IPR, Import Safety, Textiles/Wearing Apparel, and Free Trade Agreements.

### **Anti-Dumping/Countervailing Duty (AD/CVD) Working Group**

The AD/CVD Working Group (AD/CVD WG) was established and consists of a wide range of stakeholders (importers, customs brokers, domestic industry, consultants, etc.) to act as a standing forum of subject matter experts that can be called together by CBP when any issue on AD/CVD matters arise to solicit feedback and advice from the trade.

The AD/CVD WG conducted its first conference call to discuss the progress CBP has made on the four (4) recommendations made at the COAC public meeting held in February 2015. The AD/CVD WG also discussed the impact new legislation would have on AD/CVD and enforcement matters, including the Trade Facilitation and Trade Enforcement Act (HR 644) and proposed legislation for the ENFORCE and PROTECT Acts. The overall goal of the AD/CVD WG is to maintain regular calls to discuss on-going challenges with AD/CVD matters and brainstorm new initiatives to help with enforcement and revenue collection.

The AD/CVD WG will also continue to have ongoing discussions on how CBP, the Department of Commerce (DOC) and trade can work together to implement more effective communication and education tools to improve enforcement and facilitate legitimate AD/CVD importations.

### **Bond Working Group**

Since the successful deployment of eBond in ACE on January 3, 2015, the Bond Working Group (BWG) has been on hiatus. The BWG will continue to be on hiatus until there are issues to be considered regarding the rewrite of 19 CFR 113, Determining Bond Amounts, Drawback Bond Revisions, and/or additional topics that CBP may present to COAC for review.

### **Intellectual Property Rights Working Group**

During the 13<sup>th</sup> term of COAC, the Intellectual Property Rights Working Group (IPRWG) suggested that COAC explore whether an IPR Known Importer program would offer CBP better targeting, while providing facilitation benefits to the trade. During the 14<sup>th</sup> term of COAC, an IPRWG will be established to discuss and explore this topic and formulate a recommendation for the viability of an IPR Known Importer program going forward. The IPRWG will consist of a

wide range of stakeholders (importers, customs brokers, carriers, consultants, etc.) and will begin discussions of this topic, as well as act as a standing forum of subject matter experts that can be called together by CBP when any IPR issues arise to solicit feedback and advice from the trade. These regular calls will discuss on-going challenges that CBP faces in combating counterfeit goods and continue to brainstorm new initiatives to help with trade enforcement and facilitation that could later be raised to COAC for consideration.

### **Regulatory Audit Working Group**

At this time, the Regulatory Audit Working Group is on hiatus until such time as CBP presents the COAC with additional topics for review.

### **Summary**

It is expected that all of the Working Groups will continue to address new and carry over topics from the previous COAC term in its efforts to collaborate with CBP to improve enforcement of the trade laws of the United States and the collection of duties and fees.